ENCOREBANK®

LETTER OF COMMENT NO. 238

December 30, 2008

Technical Director
Financial Accounting Standards Board
301 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email: director@fasb.org

File Reference: Proposed FSP EITF 99-20-a (*Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20*)

Dear Technical Director:

Encore Bancshares supports the FASB's Proposed FASB FSP EITF 99-20-a, *Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20*, which would amend EITF Issue No. 99-20 (*Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to be Held by a Transferor in Securitized Financial Assets*). We urge you to issue the proposal in final form, to be effective for December 31, 2008 financial reporting.

The American Bankers Association's letter filed with the FASB on December 28, 2008, supports the proposal and requests that additional OTTI concerns be addressed for year-end 2008 reporting. We are very supportive of the issues addressed in their detailed letter.

OTTI has been controversial for many years, and we believe it would be more meaningful to use a model based on credit impairment rather than on market values. Because of the significance of the problems with the application of OTTI in the current market environment, we believe changes to these practices are critical for year-end 2008 financial reporting.

Thank you for your attention to these matters and for considering our views.

Sincerely,

James S. D'Agostino, Jr.
Chairman and Chief Executive Officer

Cc: Texas Bankers Association